ERBUD S.A.

Current Report No. 08/2019
Report date: 2019-01-30

Topic:

Conclusion of a significant financial agreement with BGŻ BNP Paribas S.A. seated in Warsaw.

Legal basis:
Article 17(1) of the MAR – confidential information

Content of report:

The Issuer's Management Board informs that on 30 January 2019 Erbud S.A. received Annex No. 20, signed by the Bank, to the Multi-purpose Credit Facility No. WAR/4120/05/221/RB1 of 7 July 2005 concluded with BGŻ BNP Paribas S.A. headquartered in Warsaw.

Under this Annex, a multipurpose credit line totalling PLN 97 million is available to the Issuer and its subsidiary PBDI SA. Within the line, the Issuer is allowed to use up to PLN 8 million by way of drawing of loans and up to 30 million as letters of credit.

The sub-limit for PBDI amounts to PLN 18 million, including drawing of loans up to PLN 5 million.

The Credit Facility is secured by the assignment of receivables from construction contracts, blank promissory note issued by the borrowers, and performance bond in case of a request to issue a guarantee for a period of more than 24 months, and letter of credit issued by another bank in the case of opening letters of credit.

The signed Annex obliges the Issuer to maintain financial ratios at the following levels:

1. current liquidity ratio - not lower than 1.2;
2. solvency ratio - not lower than 20%;
3. debt ratio – not beyond:
   3.5 as of 31 December 2018;
   2.5 as of 30 June 2019;
   2.0 as of 31 December 2019;
4. EBIT/sales ratio – not lower than 1%.

The above ratios will be verified on the consolidated data of the ERBUD S.A. Group starting from 31 December 2018. By 30 June 2019, EBIT will be adjusted by PLN 32,250,000 in plus.

The maturity of the line of credit falls on 31 January 2020.

Other conditions of the Agreement are at arm's length.

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